

ID: CCA_2013012410115437

Number: **201312040**

Office:

Release Date: 3/22/2013

UILC: 6224.01-01

From:

Sent: Thursday, January 24, 2013 10:12:28 AM

To:

Cc:

Subject: RE: Request for Audit Reconsideration on a case wherer AAR filed after TEFRA Form 870-PTs are signed

We are prohibited by statute from reconsidering the taxpayer's request. First of all, the Form 870-PT is a comprehensive settlement of partnership items unless the agreement is stamped "Partial Agreement" and special limiting language is added in accordance with IRM 4.31.2.2.2.8. The partial agreement language was not added so that partners are fully bound to their settlement. I.R.C. 6224(c)(1).

The agreement states that it is binding in the absence of fraud and there was none here. If the partners wanted an additional deduction they should have raised it during the TEFRA audit and should not have agreed to settle all partnership items.

The subsequent Request for Administrative Adjustment is invalid since the settlement agreements converted the partnership items to nonpartnership items under section 6231(b)(1)(C) removing the partners from the AAR procedures. See I.R.C. 6228(a)(4)(B) and 6226(d)(1)(A).

Section 6402 also prohibits us from issuing a refund after the period of limitations has expired. The one year period under section 6229(f) has expired and the 6 month deadline for filing a claim related to settled partnership items under section 6230(c)(2) has also expired.